ILO's 75th Anniversary

The ILO and tripartism: some reflections

Seventy-five years of experience has shown that mechanisms for regulating terms and conditions of work and settling labor disputes are more effective if they are determined jointly by the parties involved, within a legal framework provided by the state

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Basic to the operations of the International Labor Organization (ILO) is tripartism—the process by which workers, employers, and governments contribute to the setting of workplace standards and the protection of workers' rights worldwide. This concept, unique among international organizations, is founded in evidence that voluntary interaction and dialogue among representatives of the various parties is vital for social and economic stability and progress, while being consonant with democratic ideals.

On the occasion of the 75th anniversary of the ILO, delegates to the 1994 International Labor Conference in Geneva took the opportunity to discuss several of the organization's traditional assumptions and methods, including tripartism and its application in practice. The timing of the discussion seemed particularly fortuitous, given the unprecedented changes on the global socioeconomic scene in recent years, and the promise of even greater changes yet to come. This article attempts to put issues surrounding tripartism, in its ILO setting, into perspective by reviewing the history of the system and its achievements, and examining its future potential as a worldwide force for workers' rights.

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A brief history

Only after the First World War did trade union organizations of the western world succeed in achieving a mechanism that could effectively improve the often deplorable conditions of work that existed in industrial life. The international regulation of labor matters had been considered and discussed at various points during the 19th century—sometimes at the initiative of governments, sometimes of private associations—but these attempts were never pursued to completion, despite arguments that international standards would act as a kind of guarantee against unfair labor cost competition exercised by countries having inferior conditions of work. International conferences convened by the Swiss Government in Berne in 1905 and 1906 did succeed in adopting two international labor Conventions relating to the prohibition of nightwork for women in industrial employment and the prohibition of white phosphorous in the manufacture of matches. However, it was not until the Peace Conference of 1919 that these and other antecedents led to the inclusion in the Treaty of Versailles of Part XIII, which dealt with labor matters and provided for the establishment of an International Labor Organization to adopt standards in the field.

In May 1944, the International Labor Conference met in Philadelphia, and adopted a Declaration that redefined the aims and purposes of the International Labor Organization and gave it an extended mandate. In addition to proclaiming such general principles as "poverty anywhere

constitutes a danger to prosperity everywhere," this Declaration contained a number of specific objectives, including the effective recognition of the right to bargain collectively; the cooperation of labor and management in the continuous improvement of productive efficiency; and the collaboration of workers, employers, and governments in the preparation and application of social and economic measures. The postwar reconstruction program and the economic recovery of post-World War II Europe made it possible for the ILO to pursue this extended mandate more easily than might otherwise have been the case, and as a result, the principle beneficiaries were mainly the workers of the industrialized West. However, the Declaration firmly established tripartism as the framework within which the various components of social policy were to be negotiated and settled among the parties involved. The Philadelphia Declaration was incorporated into the Constitution of the ILO as an expansion of the original objectives set out in the preamble.

The tripartite structure provided management and labor a status equal to that of representatives of governments in the ILO. This principle aimed at inspiring confidence among workers' and employers' representatives and associating them with governmental action in order to achieve and maintain social peace. This tripartite structure was premised on the belief that workers and employers have an important role to play as partners in society and as participants in the social dialogue. Many contend that, despite the divergent interests of these two groups, their participation brought vigor and dynamism to the organization and its councils, and the principle of tripartism has been—and still remains—the very backbone of the ILO, enabling it to keep abreast of social problems and realities throughout the world.

Societies being what they are, there are inevitable conflicts of interest among the social partners—labor, employers, and government. To counter these, it was thought that tripartism would become an institutional safeguard to stabilize and guarantee the smooth functioning of democratic structures. Ideally, it would imply a certain equilibrium among governments, workers, and employers, with no one group exercising a particularly dominant force over the others.

The principle of tripartism was, however, difficult to reconcile with the aim of ILO founders that the organization's concepts and their application be truly universal. For example, it seemed that the socioeconomic system in the countries that formed the Communist bloc was incompatible with membership in the ILO. The organization thus had to make adjustments in its procedures and methods of work throughout its history to enable tripartite delegations from the socialist countries to participate and, by and large, these adjustments permitted East and West to coexist in the ILO. Today, the Organization's membership, standing at 171 countries, is testimony to the fact that tripartism and universality are far from being irreconcilable.

But if any kind of equilibrium is to be maintained among the parties, the smooth operation of tripartism implies that each of the parties carries out its functions effectively. Governments, for their part—and more particularly ministries of labor—should be able to assume different roles as the need arises, whether this may involve regulating, encouraging, moderating, conciliating, or even arbitrating where necessary. On the other hand, workers' and employers' organizations should be structured in such a way as to be effective, have sufficient representativeness and legitimacy to speak and act with authority on behalf of their constituents, be financially independent, and possess the necessary technical knowledge and capacity to enable them to participate competently in the tripartite dialogue.

Tripartism and labor standards

Given the fundamental importance of an industrial relations machinery for realizing the stated objectives of social policy, the ILO proceeded over the years to lay down normative standards for the promotion of a meaningful dialogue among the social partners. These standards have evolved in the course of international debates in the fora of the ILO, and the resulting consensus has led to the adoption of the principal instruments of the organization, namely: the Conventions and Recommendations. (See box, p. 4.) Each Convention is the fruit of a number of years of research by the ILO' International Labor Office, and generally 2 successive years of intense tripartite debate at the International Labor Conference. The elaboration of these instruments is a vivid example of tripartite deliberations, resulting in the adoption of compromise instruments that contain solid obligations but that are, at the same time, sufficiently flexible as to be acceptable to the majority of countries. Altogether the Conventions and Recommendations form a vast body of social policy rules and guidelines that has been used by many countries to develop legislation on such subjects as social security, industrial relations, labor administration, and on labor issues affecting equality of rights, child labor, and so forth.

When Conventions are ratified by member states of the ILO (a voluntary act by the states), such ratification involves a formal commitment by the governments concerned to apply the Conventions in law and in practice. Ratification also

involves a willingness on the part of the governments to accept a degree of international supervision of the ways in which the Conventions are applied. All the Conventions contain obligations directed specifically at the member countries. They provide for an appropriate, coherent, and workable code of conduct for states—one which, it is hoped, is more likely to result in a system of industrial relations that is effective and, as far as possible, free of conflict.

An important complement to written rules is the jurisprudence of the various supervisory bodies that the ILO has created to monitor the application of its standards and its principles. The Committee of Experts on the Application of Conventions and Recommendations, the special tripartite Committee of the International Labor Conference on the application of standards, and the special bodies established to examine complaints of alleged violations of worker rights have, over many years, established a vast body of decisions and interpretations applying the standards and principles to actual situations brought to their attention, or in the course of the systematic examination of law and practice designed to give effect to ratified Conventions. These supervisory instruments also have provided fairly clear indications concerning what the ILO considers to be the correct role of the state in industrial relations, or the tripartite relationship.

The basic premise for any industrial relations system, and fundamental to genuine tripartism, is the freedom of workers and employers to form organizations of their own choosing to represent their interests. Workers and employers need strong and representative organizations to serve as vehicles for their involvement in production and distribution processes or their participation in the social and economic development of their countries. They also are essential as the foundation of a stable industrial relations system. It is in this context that freedom of association and protection of the right to organize and bargain collectively, as elements of basic human rights, assume significance. The two basic ILO Conventions—namely, the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), and the Right to Organize and Collective Bargaining Convention, 1949 (No. 98) provide the basic premise for a valid and effective industrial relations system.

Tripartism in action

The industrialized countries. National tripartite bodies and arrangements have long been the traditional instruments of dialogue and consensus in a number of Western European countries such as the Netherlands, Austria, Denmark, and Belgium. In these countries, where great importance is attached to achieving social consensus through tripartite dialogue, recourse to tripartite institutions in the event of economic or social problems is virtually a basic reflex. Other examples of national tripartite mechanisms can be found in other parts of the world—in Latin America, Asia, and elsewhere—but in no country is the form and scope of such arrangements the same as in another. There is a tremendous variety of systems, some formal, others informal; some with only a narrow mandate, others with a much broader policy role in social and economic matters.

On the whole, these tripartite institutions, where they exist, have conferred distinct benefits on workers among the industrialized market economies. The period that immediately followed the Second World War witnessed the construction of a social welfare system which, as it evolved, was premised on a high-cost, high-wage economy of vastly improved living standards. This, in turn, came to be manifested through a large and rising share of nonwage expenditures on employed persons. The welfare system ensured access for all workers and their dependents to improved education, health, housing, and recreational facilities. The tripartite structures of the industrial countries also envisaged special safeguards to meet the income requirements of the weaker sections in the labor force, which were not necessarily covered by collective bargaining; in this respect, the mandatory minimum wages of those countries served as major policy instruments.

The onset of recession among the industrialized countries during the 1980's, however, marked an end to the "good times." The deceleration, or actual declines, in output growth experienced during the decade exposed several problems with welfare systems in many industrialized countries. The recession also brought to the fore latent concerns about the long-run viability of economies built on high and rising labor costs. In this connection, an important point is that the sustained increase in prosperity of those economies during the preceding decades was not accompanied by a corresponding increase in the level of employment. While the productivity of workers improved quite significantly, the rate of job creation lagged far behind and, consequently, there was a perceptible increase in unemployment.

It is hardly surprising, therefore, that in the countries of Western Europe, national tripartite structures or institutions came under severe pressure over the past decade because of the application of deregulation policies and a certain trend towards greater decentralization of collective bargaining. What is heartening to many is the fact that many of these countries are devising

various forms of tripartite cooperation in the search for national solutions to economic problems, as well as ways of reducing social tension caused by unemployment. As part of their efforts to fight redundancy and protect employment, workers in a number of industrialized countries have opted for a voluntary reduction in their earnings. A notable example in this respect is the Italian national agreement of 1993, which abolished the *scala mobile* (partial wage indexation system) that had covered earlier wage agreements. A number of collective agreements reached in Scandinavia as well as in Western Europe during 1992 and 1993 conform to this pattern.

The former Eastern bloc. In the countries of Central and Eastern Europe, where the Communist Party formerly was the leading and guiding force in society, the seemingly natural emergence and development of tripartite arrangements or institutions at the national level since the demise of the Communist system has been also a matter of some significance. The transition to the market economy and the inevitable freedoms that this unleashed has led, on the one hand, to an immediate decline in living standards and, on the other, to the release of the powerful strike weapon to workers. The important body of law promulgated in most of these countries since the end of communism has generally recognized the right to strike (although with important limitations), but at the same time has indicated a clear recognition that the possibilities for economic recovery could be seriously impaired by the abuse of that right.

It became urgent, therefore, to create appropriate mechanisms through which disputes might be avoided or resolved and in which workers' and employers' organizations could participate. The establishment of national tripartite bodies was, at least in part, the outcome of such considerations in such countries as Hungary, Bulgaria, the Czech and Slovak Republics, Poland, and Rumania. All of these new tripartite bodies have been concerned, in principle, with achieving congruence between the macroeconomic objectives of state policy and those of the major socioeconomic actors. In practice, they have largely concerned themselves with wage and price fixing, privatization issues, unemployment, and living standards. In some of the countries, the absence of collective bargaining at industry or enterprise levels has made it necessary to take localized problems to the national level for discussion and possible solution by the tripartite bodies.

In terms of the problems faced by the countries of Central and Eastern Europe, there is a certain commonality—although the problems are in no way identical. Nor are there quick, easy, or uniform solutions. Currently, these countries are receiving assistance from organizations such as the ILO, and studying comparative industrial relations systems and tripartite mechanisms—especially those of the more developed industrialized countries—with a view to adapting or creating national systems that are more effective. However, caution has to be exercised, because it would be hazardous indeed to transplant industrial relations practices or procedures from elsewhere without careful consideration being given to the context into which these practices are being translated. Industrial relations phenomena reflect the characteristic features of the society in which they operate, and a practice that works in one country might not work in another, especially if it conflicts with indigenous traditions and social values. Whatever the case, though, it is significant that the countries of the former Eastern bloc have shown a clear desire to investigate tripartism and institutionalized dialogue among workers, employers, and governments as the way to ease social tensions and contribute to the alleviation or prevention of conflict.

Latin America. In the Latin American region, recent debates on structural adjustment and employment have highlighted the critical importance of "social bargaining"—or tripartite debate—for the viability and equity of reform programs. Governments of the region generally appear to understand that the commitment and the participation of the social partners are essential conditions if any structural reforms are to succeed.

As is the case for all the other regions of the world, it is impossible to refer to a "Latin American" model of industrial relations. Each country in the region has its own individual system and, even within some countries, industrial relations systems are adapted to accommodate particular sectoral or industrial circumstances. More generally, it appears that the democratization process in Latin America—and more particularly in such countries as Chile, Uruguay, and Brazil—has led to a greater involvement of workers' and employers' organizations in social and economic debates. In Latin American culture, politics, and industrial relations, the role of the state is important, and is likely to remain so. However, in addition to the development of bipartite, collective bargaining relationships, the social dialogue among workers, employers, and the state on broader social and economic issues has become more frequent, particularly in countries such as Mexico, Venezuela, and Chile.

Africa. As in the case of Latin America, it is by no means easy to generalize about the countries of the African continent with respect to their

industrial relations. However, it is a fact that, in the African countries, the proportion of the population engaged in wage-earning employment represents a very small percentage (often less than 10 percent) of the economically active population. Thus, the purview of industrial relations may be a lesser concern to a country as a whole, although the wage-earning sectors themselves are of crucial significance to the economy, and wage earners are a forceful interest group. Part of the industrial heritage left to most countries of Africa by European colonizers was a highly regulated system of labor relations that made it easier for the governments of these countries to play an active and highly interventionist role in industrial relations. Despite many restrictions on freedom of association, however, the development of trade unions and employers' organizations, of collective bargaining, and of even a limited degree of participation in national social and economic policymaking has taken place over the years, and workers and business appear to be highly conscious of the role that they should play in the political, social, and economic life of the country.

Within the context of structural adjustment programs, and under pressure from international financial institutions, a number of African countries (including Egypt, Senegal, and Côte d'Ivoire) are currently amending their labor legislation, with the aim of making their labor markets more flexible. The governments of some of these countries have closely involved the representative organizations of workers and employers in this process and appear to be creating, on a true tripartite basis, a new framework for industrial relations that is more adapted to a liberal market economy. For Africa, traditionally reliant on agricultural and extractive activities, it is especially important that governments acknowledge that the problems of economic restructuring and increasing economic interdependence can be more successfully addressed if workers' and employers' organizations are closely involved in the policymaking process.

South East Asia. In this region, the wish to attract direct foreign investment and develop export-oriented industry has been accompanied by the development of labor-relations systems in which the right to organize and collective bargaining have been substantially limited by Western standards. Industrial relations law and practice are closely bound up with industrialization and development strategies that are generally accompanied by state control over labor unions in order to maintain the stability that national governments may feel is needed for rapid economic development. A noteworthy exception is Singapore, where the national federations of workers and employers have been continuously involved in the formulation of national development and social policies in recent decades. For example, a tripartite National Wages Council, set up in 1972, provides annual guidelines that constitute the framework for wage bargaining throughout the economy. The participation of labor unions in national level decisionmaking, however, is counterbalanced by restrictions on their activities at the workplace level, as well as on the right to strike. It is through such arrangements that Singapore has achieved a certain degree of cooperation and stability in its labor-management relations.

Tripartism on trial

During the 1980's, two major developments effectively put tripartism on trial, both in the developed and the developing countries. One was the onset of the recession in the industrialized countries and the second, implementation of the structural adjustment programs among the developing countries. In the interest of promoting greater economic efficiency, even well-established assumptions of industrial relations—such as the inevitability of conflict at the workplace, the representation of workers' interests through trade unions, and the regulation of labor markets through collective bargaining—were profoundly challenged by managerial attempts to achieve such goals as productivity, performance, and worker commitment and flexibility. In addition, there were instances of intervention by many a government through the imposition of wage ceilings or freezes, the dilution of minimum wage legislation, alteration of many legal frameworks for collective bargaining, and curtailment and even abolition of the right to strike. Often, these governments—particularly those in what is commonly known as "the Third World"—took a position that their adoption of certain labor legislation would discourage foreign investors.

The prospects

Although in no way pretending that tripartism is a panacea or that its standards are perfect, the ILO believes that an effective industrial relations system, based on real tripartism, is central not only to social stability, but also to sustained growth and development, and that such a system can work more effectively if ILO principles and standards are implemented. There is a continuing debate on the relevance of Conventions, and steps can be taken, if necessary, to update old ones and adopt new ones that take account of modern work practices and conditions. But we do urge that existing Conventions provide a model that guarantees both fair and equitable

conditions for workers as well as steady growth and economic development.

Whatever emerges as the ideal industrial relations formula for the 21st century will probably be a sort of distillation of old and new concepts. However, the ILO will, as it always has, seek to promote an industrial relations system everywhere that is based on the independence of labor and business, with the role of the state being a supervisory and promotional one. And, as always, industrial relations will be shaped and molded slowly, taking account in each continent, in each country, of the economic and political situation, as well as the traditions, the culture, and the history of each nation. But, however industrial relations systems evolve, experience throughout the world has shown that interaction and dialogue between the state and representative workers' and employers' organizations is fundamental for social and economic stability and progress, as well as being consonant with democratic ideals. □

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